

## A New Outlook

by Glenn Stober

As 2002 kicks into gear, I can't help but reflect on Technology, Trade and Commerce Agency's (TTCA) most memorable accomplishments. This past year, TTCA made tremendous contributions to the State's economic development community that stimulated the State's overall local economy. Investment Partnership matching grants, City of Stockton innovative loan financing, and the "Film California First" cost reimbursements program are examples of programs that have contributed to enhancing the quality of life for all Californians.

TTCA's innovative contributions to California's economic development also include the California Enterprise Zones. The program has sought to develop a new method of measuring results and focusing on customer service. As a result, we've crafted a work plan for the Enterprise Zone (EZ) program that will largely focus on these two areas.

## California Enterprise Zone welcomes new staff

***Stober, Verdun bring wealth of experience to state program***

TTCA named Glenn Stober as the new State manager of California Enterprise Zones. He brings eight years of economic development management experience having worked as a manager in the Agency previously.

From 1990 through 1998, Glenn was responsible for numerous economic development programs administered by the Agency, providing leadership, financial and technical assistance to business and communities.

*continued on page 6*

For 2002, our program goals will be:

- 1) Increase local economic development capacity to foster business investment, job creation and retention by strengthening local and regional organizations state-wide.
- 2) Enhance customer service through responsiveness, delivering services in public/private partnership, and developing strong alliances, both internal and external.
- 3) Improve business incentive area accountability and performance.

Our key tasks for the year will be:

- Provide technical assistance to selected communities that contain business incentive areas through workshops and the zone manager certification program.

*continued on page 5*



# Zone Expansions

## *An Economic Development Strategy*

The TTCA's Enterprise Zone Program enhances local economic development efforts by providing an effective tool used by distressed communities to attract, expand and retain business in California that otherwise would have been lured away by another state.

Zone expansion is a process that allows existing Enterprise Zones to expand their geographic area designation by marketing to new companies and allowing existing companies to expand their current operations.

Provisions for zone expansions are outlined in the Enterprise Zone Act. The Act allows for the expansion of Enterprise Zones from their original zone designation. To expand the original geographic zone designation Enterprise Zones must meet the following criteria:

- Enterprise zones can expand 15% of the original geographic area designation.
- Enterprise zones whose original geographic area designation is 13 square miles or less can expand an additional 5% for a total 20% area designation.
- In a multi-jurisdiction Zone, each jurisdiction can expand 15% (or 20%) of its original geographic area designation. Jurisdictions can give all or a part of their expansion percentages (original geographic area) to other jurisdictions in the zone.
- The expansion must be contiguous with the existing zone.
- A County or City with an Enterprise Zone can expand into an adjacent jurisdiction not part of a Zone if both the expanding County or City and the adjacent jurisdiction approve the request.

Enterprise Zones interested in receiving a zone expansion, should submit a written request to TTCA. The written request should include:

- A **certified** original resolution from the jurisdiction requesting the zone expansion.
- A map outlining the **specific** area of expansion.
- The zoning of the expansion area. (must be **commercial** or **industrial** except for a connecting easement)
- A list of **new street addresses** to be added in the expansion.
- A new boundary description of the **entire** zone including the new expansion area.
- The original acreage of the **jurisdiction's** portion of the zone.
- The amount of acreage of the **new** expansion area.
- A final environmental impact report, negative declaration, or notice of exemption for the expansion area as provided for in **California Environmental Quality Act (CEQA)**.

The expansion requests will be processed as they are received by staff. Staff will send a written approval to enterprise zones within seven (7) calendar days of receipt of expansion request, providing that all of the required documentation is included.

For detailed information on Enterprise Zone Expansions, contact Shoron Verdun at (916) 322-3432 or e-mail at [sverdun@commerce.ca.gov](mailto:sverdun@commerce.ca.gov).

---

*For more information, contact Shoron Verdun  
at (916) 322-3432.*



# Agency Plans to Schedule More Audits

by Patrick McGuire

AB 2879 (Machado) Chapter 323, Statutes of 1998, made several changes to the Enterprise Zone (EZ) program. The most well known change is the ability for the first 19 EZs to apply for a five-year extension. In addition, this legislation mandates the EZ program staff to audit the existing 39 Enterprise Zones. Staff is required to conduct these audits no later than five years from the effective date of the bill. This law also set a standard of 75% accomplishment rate that all Zones must attain to successfully pass an audit.

Following these mandates, Staff devised a 200-point audit designed to review three areas: the Memorandum of Understanding (MOU) between the jurisdiction and the Agency, the Economic Plan from the Zone's original application, and the programmatic effectiveness of the Zone. The programmatic effectiveness questions specifically address each Enterprise Zone's vouchering plan, staff levels, budget, permit streamlining, work force preparation, plus new goals and objectives developed for the zone.

The audit results are used to determine if a zone is in compliance with its original economic development plan and chart any progress that has been made toward achieving its stated goals.

Agency staff determine whether the zone has successfully passed the audit review for the extension based on the information provided above. The Agency will notify the lead zone jurisdiction in writing of the result and score. There are three possible scores a community's audit can receive: Superior, Passing and Failing.

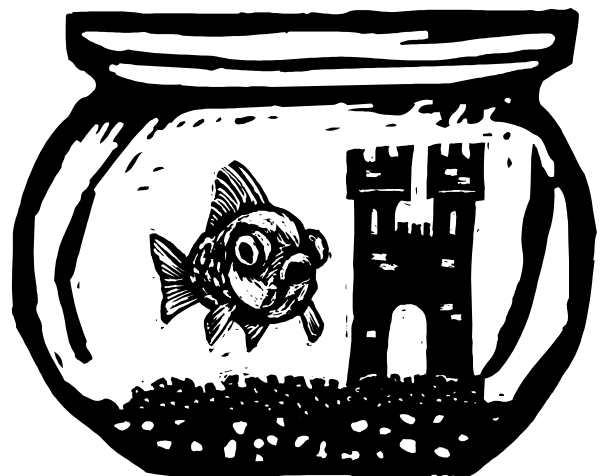
The decision of the Agency may be appealed. Any zone that does not pass its extension audit review has 30 calendar days from the date that the jurisdiction receives the notification to appeal the findings of the Agency. The appeal must be in writing and state the reasons that the zone does not agree with the findings of the Agency.

Additional information may be submitted with the appeal. The Agency has 60 calendar days to review the additional material and make another rating determination. Any appeal received after 30 calendar days from the date of the initial notification to the jurisdiction will not be accepted and the results of the extension audit review will be final.

EZ Program staff have completed 16 audits since the passage of AB 2798. During the upcoming year staff expect to audit 20 additional zones.

---

*For more information, contact Patrick McGuire  
at (916) 327-2236.*



## A New Outlook *(continued from page 1)*

- Formally survey customers and constituents to gauge satisfaction with the assistance received from the state EZ program, and to identify unmet needs.
- Conduct audits pursuant to Assembly Bill 2798 from 1998. The bill requires the TTCA to audit the performance of all enterprise zones within five years of the bill's effective date.

We were pleased that a recent audit report of TTCA noted that the TTCA's Economic Development Division (home of the EZ program) generally received high marks from its customers. The report notes that the EZ program's newsletters, annual reports, and legislative updates had been helpful to our partners. That feedback is the reason that we are launching this new newsletter.

As always, we look forward to working with our partners in the coming year and doing our best to achieve our mutual goals. We hope that through the newsletter, training courses, and other outreach activities we meet their needs and continue to make Enterprise Zones a critical part of California's economic development.



## TTCA Launches New Classes



At this year's California Association of Enterprise Zone (CAEZ) conference, the Agency launched a new concept in customer zone service – Zone Manager Certification Classes. Enterprise Zone (EZ) Program staff has traditionally held workshops or training classes to provide technical assistance to the Zones. The focus of these workshops was to provide EZ managers and their staff programs updates and best practices examples.

Agency Program staff in conjunction with CAEZ Board of Directors, reviewed these past courses and developed an enhanced curriculum, emphasizing successful practices for existing EZs. By providing this standardized instruction, Agency Program staff can augment the information that new Zone administrators receive.

The number of classes offered total nine classes – five core classes and four electives. The core courses provide an overview of background information needed to implement an EZ program. These courses are: EZ 101 (a mandatory first class); Vouchering; Annual Report Performance Measure; Audit Preparation; and Tax Credits – What are they? After completing EZ 101, all other classes may be taken at any time. Once starting the curriculum, a participant will have 60 months to complete all nine the classes.

Existing Zone Managers or Administrators may apply for a waiver for EZ 101 and Vouchering. Criteria for applying for a waiver would be over five years in their current position or demonstrate, to the satisfaction of the EZ staff member, Patrick McGuire, that they had attended these classes at a past conference.

At this year's conference, attendance at the core courses averaged over 75 people. EZ programs staff are tracking the attendance at the classes. Once all nine classes have been attended and completed, Zone Managers and their staff will be eligible to receive a certificate of Completion.

*For more information, contact Patrick McGuire at (916) 327-2236.*



## Stober, Verdun , Newman join state program (continued from page 1)

Mr. Stober replaces Keith Coppage, who became Director of TTCA's Small Business Development Center program.

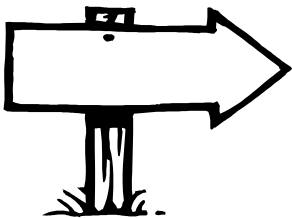
In addition to Stober, Shoron Verdun has been named the new geographic coordinator for California Enterprise Zones. Verdun will oversee the expansion and street ranges process that determines the geographic boundaries of each enterprise zone.

Most recently, Ms. Verdun served in the Sacramento Regional Office as an Economic Development/Welfare-to-Work (W2W) Specialist. In that capacity, Ms. Verdun provided technical assistance to local government officials, county representatives, and economic development organizations including all State and Federal W2W partners regarding the Agency's JCIF Grant Program.

She assisted 58 counties throughout the State with the development of Job Creation Plans and implementation activities to create jobs targeted for California Work Opportunity and Responsibility to Kids (CalWorks) clients transitioning into the work force.

The final addition to the Enterprise Zone team is Stephanie Newton. Ms. Newton comes from the Department of Justice. As the new administrative assistant, Ms. Newton is considered the most valuable person of the new Enterprise Zone team!

The Stober/Verdun/Newton team join long time Associates Patrick McGuire and Michelle Adams in the ongoing development and support of the Enterprise Zones.



### To all Enterprise Zone Managers: Annual Survey Changes

In an effort to streamline the data requirements of the Annual Survey, we have sent to the enterprise zones managers an improved survey. The new survey is based on comments on the Annual Survey at the 2001 CAEZ conference.

## Enterprise Zones CONNECTIONS

State of California  
**Gray Davis, Governor**

Technology, Trade and Commerce Agency  
**LON S. HATAMIYA, SECRETARY**  
**BRUCE R. GROGAN, DEPUTY SECRETARY**  
**JOAN DEAN, ASSISTANT DEPUTY SECRETARY**  
**PATRICIA A. MURPHY, ASSISTANT SECRETARY**

Editor

**MICHELLE ADAMS**

Contributing Writers

**GLENN STOBER, PATRICK MCGUIRE, SHORON VERDUN**

Technology, Trade and Commerce Agency  
1102 Q Street, Suite 6000  
Sacramento, CA 95814

ADDRESS CORRECTION REQUESTED